

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

January 23, 2003 LB 107

decide to invest.

SENATOR BEUTLER: What I was trying to clarify, in part though, with respect to the use of the bond money, you can use it for operations, day-to-day operations, right? In fact, that's what you want it for, is it not?

SENATOR JENSEN: Yes, that is correct.

SENATOR BEUTLER: Okay. And this bond money would be tax-exempt money and I always get a little edgy there because you're spreading out and increasing the number of tax-exempt offerings, which has the result of tending to drive the interest rate up, which means the interest rate is tended to be driven up for not only private schools, but public schools and municipalities and all of those institutions that have previously benefited from tax-exempt financing. So I only point that out to indicate that I, for one at least, would like to be cautious in each and every case where we're expanding the availability of tax-exempt financing. So my question is this, and I really don't know. To start with, our public institutions, University of Nebraska for example, obviously they have the same pattern as a private college. Tuition comes in at a certain point in time.

SENATOR JENSEN: That is correct.

SENATOR BEUTLER: Do they have the ability to borrow now with tax-exempt financing to finance day-to-day operations?

SENATOR JENSEN: They certainly have the ability to issue, and they do, bonds.

SENATOR BEUTLER: Yes, but for...

SENATOR JENSEN: On the day-to-day operations I would have to find out myself. I would think so, but I'm not sure.

SENATOR BEUTLER: Okay. Is it considered good practice in the area of higher education to have to rely upon financing on an annual basis to continue your operation? I mean, I guess the question is, it seems to me that they know what their pattern is